

DDI/IC 7-9-1861

NATIONAL SECURITY COUNCIL

Committee
(12)

October 3, 1974

MEMORANDUM FOR: THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Establishment of International Economic
Intelligence Requirements Subcommittee of NSCIC

The Chairman of the National Security Council Intelligence Committee is in agreement with your proposal to reactivate a group to provide consumer guidance to the Intelligence Community on international economic intelligence requirements.

This group should be constituted as a subcommittee of the NSCIC and should include senior-level representatives of departments and agencies concerned with foreign economic policy making. Mr. Robert Hormats will be the NSC representative.

Dr. Kissinger agrees that it would be appropriate to have the Treasury representative serve as the Chairman of this subcommittee.



Richard Ober
Executive Secretary
National Security Council
Intelligence Committee

DCI/DDCI
Routing Slip

Executive Registry
74-7576

TO:

		ACTION	INFO.			ACTION	INFO.
1	DCI			11	IG		
2	DDCI			12	D/PPB		
3	DDS&T			13	SAVA		
4	DDI			14	ASST/DCI		
5	DDO			15	AO/DCI		
6	DDA/SS			16	EX/SEC		
7	D/DCI/IC	✓		17			
8	D/ONE			18			
9	GC			19			
10	LC			20			

SUSPENSE

Date

Remarks:

Pls include in your
NSCIC W6 meeting
an agenda item re
the RAB using my
draft letter as the
discussion item —

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REQUIREMENTS ADVISORY BOARD: A STATUS REPORT

- The DCI's draft letter of last July to Secretary Simon has been on Secretary Kissinger's desk for several weeks, having been staffed out by General Scowcroft.
- The chairmanship is up in the air. One option is to give it to Treasury.*
- ^{staff} NSC recommends that RAB be made a subcommittee of NSCIC.

* Executive Order 11808, 2 October 1974, establishes the President's Economic Policy Board (EPB), with Secretary Simon in the chair. He also chairs the EPB's Executive Committee, the Council on International Economic Policy (CIEP), the National Advisory Council on International Monetary and Financial Policy (NAC), and the President's Committee on East-West Trade Policy, among others. Most likely the Executive Order was issued after completion of NSC staff work. It would seem that Treasury has a particularly strong claim on the RAB chairmanship. Parenthetically, State is not a member of the EPB's Executive Committee.

Approved For Release 2004/06/14 : CIA-RDP80M01082A000600130002-4

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8 August 1974

TALKING PAPER ON: Reactivation of Requirements Advisory
 Board (RAB)

1. PURPOSE: To provide background material on the first
step specified in ECONOMIC INTELLIGENCE--AN ACTION PLAN.

2. POINTS OF MAJOR INTEREST:

a. International economic policy is increasingly interrelated with the national security. Thus, I agree with the PFIAB Report on Economic Intelligence of last December that there is a need for such a mechanism, one which will identify the current needs of high-level users of foreign economic intelligence and which will determine what contributions the intelligence community can make in this area. NSCIC by itself can not and should not fill this void. Not all high-level economic objectives should be brought to the attention of the NSCIC or its working group. Many financial, commercial, and trade matters would have little interest for them. Therefore, I believe we should reactivate the RAB for international economic intelligence, making it a special NSCIC working group.

b. I am in agreement with the proposition that there are substantial political risks involved in mounting intelligence operations against nations with whom we have close political, military, economic, and historical ties. Economic analyses and estimates of quality, however, can be produced without too much risky collection. But, from time to time, there will be a need for inside information that can be obtained only by sensitive intelligence techniques. The RAB, among its other duties, would therefore identify requirements relating to matters which are not at present adequately covered and which seem to justify additional intelligence collection. At the same time, of course, we will continue to seek to optimize the OVERT reporting system, including the Foreign Service and Treasury attaches.

c. Secretary Simon agreed orally in July that his Assistant Secretary for International Affairs, Charles A. Cooper, will be the chairman of RAB and that my National Intelligence Officer for Economics and Energy, [redacted] will serve as Executive Secretary.

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Membership will initially be composed of senior officers from Treasury, CIA, State, CIEP, CEA, STR, Commerce, Export-Import Bank, and Agriculture.

3. History of RAB:

a. February 1973--Established under the auspices of Secretary Shultz, as Chairman of the Council on Economic Policy.

b. May 1973--At its only formal meeting to date, the full board and secretariat, convening in the White House under the chairmanship of Kenneth Dam, formally approved two requirements concerning [redacted] (Note: Secretary Bennett, Treasury's NSCIC member, attended that meeting as Treasury's RAB member.)

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c. June 1973--General Walters forwarded the RAB requirements to NSA. The Intelligence Resources Advisory Committee has since commissioned a survey of NSA's ability to respond to these requirements. (This falls under Resource Management Objective 3, Objectives for FY 1975.)

d. July 1973--Kenneth Dam suggested to an officer on the Intelligence Community Staff that State/INR and NSA be brought into the RAB family as observers. Subsequently, Len Weiss, then in State, and Benson Buffham of NSA welcomed this suggestion.

e. August 1973--General Graham met with Kenneth Dam, William Morell, Deane Hinton, and Andrew Marshall, then of the NSC Staff. It was generally agreed that representatives of economic intelligence users should be incorporated into the NSCIC apparatus. It was further agreed that not all intelligence support for economic policymakers would be sought through the NSCIC group; rather day-to-day support would be sought through other channels, both formal and informal.

f. July 1974--The DCI spoke with Secretary Simon of his belief that the RAB should now be reactivated. A proposed draft letter on this subject was sent to Secretary Simon. (Copy attached.) No reply has yet been received. (A milestone for achieving Resource Management Objective 3 calls for RAB reactivation prior to 1 November 1974.)

IC/PRD:AS/11

Mr. William N. Morell, Jr.
Special Assistant to the Secretary
for National Security
Department of the Treasury
Washington, D. C. 20220

Dear Bill:

Herewith a draft of the letter I would
send to Dr. Kissinger for clearance to dis-
patch to Secretary Simon. If you approve,
I will send it to Secretary Kissinger.

Sincerely,

/s/ Bill

W. E. Colby
Director

WEC:blp

Distribution:

Original - Addressee

1 - DCI

1 - D/DCI/NIO

1 - D/DCI/IC

1 - ER

EXECUTIVE SECRETARY FILE

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

The Honorable William E. Simon
Secretary of the Treasury
Washington, D. C. 20220

Dear Bill:

As we have discussed, I agree that we should reactivate the Requirements Advisory Board (RAB) for international economic intelligence. I have discussed this matter with Dr. Kissinger, as Chairman of the National Security Council Intelligence Committee, and he is in agreement. The purpose in reactivating this Board is to ensure that the intelligence collection agencies receive guidance from a senior level rather than, as has sometimes been the case in the past, solely from analysts and other specialized consumers. I see the RAB as a useful and necessary supplement to the informal networks of contact between consumers and producers of intelligence.

Given the particular focus of my Key Intelligence Questions for this year and the fact that the Treasury Department is a member of the United States Intelligence Board, I think it would be appropriate if the Treasury representative to the RAB were to serve as Chairman. I understand that your nominee as the Treasury representative will be the Assistant Secretary for International Affairs, Charles A. Cooper. I also think it would be appropriate if my nominee to the Board, the National Intelligence Officer for Economics, [REDACTED] were to serve as the Executive Secretary. STAT

If these appointments are agreeable to you, I have Dr. Kissinger's approval to make them as Deputy Chairman of NSCIC. I will also be in touch with the heads of the other Departments and Agencies in foreign economic policy-making to request their nomination of senior-level representatives to the Board.

Sincerely,

W. E. Colb.